

FISCAL IMPACT STATEMENT ON BILL NO. **S.860, As Amended**

(Doc. No. 860R001.DBV)

TO:	The Honorable W. Greg Ryberg, Chairman, Senate Labor, Commerce and Industry Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Earle Powell and Torina Wood		
DATE:	March 24, 2008	SBD:	2008139

AUTHOR:	Senator Verdin	PRIMARY CODE CITE:	40-10-275
SUBJECT:	Fire Sprinkler Tax Credit		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 860, as amended, allows for a state income tax credit equal to eighty percent of the taxpayer's direct expenses when a fire sprinkler system is installed in a commercial or residential structure, when such installation is new or existing, and when the installation is not required by law, regulation, or code.

EXPLANATION OF IMPACT:

The Department of Revenue indicates this Bill will have a minimal impact on the General fund of the State, which can be absorbed at the current level of funding.

LOCAL GOVERNMENT IMPACT:

A survey of the FIST network was conducted to determine the impact of this Bill on local governments. Eight municipalities responded to the survey. Six municipalities indicated this Bill would have minimal impact on them and one projected annual costs of \$35,000. One municipality reported that the Bill would require increase staffing time to monitor the installation of the systems. All reported that the Bill would impact their revenue because of the tax credits.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Harry Bell
Assistant Director, Office of State Budget